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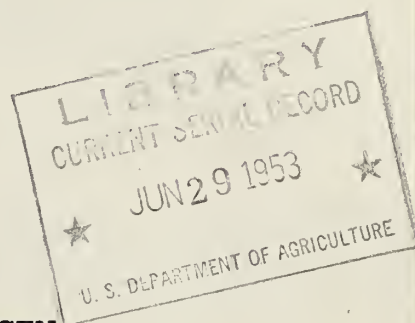


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FARM CREDIT ADMINISTRATION  
UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C.

OPERATIONS OF REGIONAL  
COOPERATIVES DOING LESS THAN  
\$5 MILLION SUPPLY BUSINESS,  
1950-1951

By  
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## SUMMARY

Small regional purchasing cooperatives are important agencies in the distribution of farm production supplies. These associations are located throughout the United States but predominate in the North and South Central regions of the country. Fifty-three of them handled over \$110 million of supplies in 1950-51 and directly served nearly 2,000 member associations and 156,000 farmer members. When all of the members of affiliated locals are taken into account, the writers estimate that about 400,000 farmers were provided supplies through these regional associations.

On the average, these associations are 15 years old. They have entered the farm supply business at a considerably more recent date than have the 25 major regional purchasing associations each of which does business of over \$5 million a year for farmers.

Of the small regional purchasing associations, 30 were classified as engaging in wholesale operations only, 11 operated on a retail basis, and 12 carried on both wholesale and retail operations. Seventeen associations reported an annual volume of less than \$1 million, 21 had a business of between \$1 million and \$3 million, and 15 had a supply operation in excess of \$3 million.

These associations tend to specialize in a few major types of farm supplies -- 15 reported handling but one type, 13 distributed only two products, and 12 handled three types of supplies.

Feed, fertilizer, petroleum products, containers, and seed accounted for 81 percent of the value of products handled. The first three items were the most important and accounted for one-third, one-fourth, and one-tenth, respectively, of the total business reported.

In addition to the small regional purchasing cooperatives, 62 regional associations that were predominately marketing organizations each handled not more than \$5 million of farm supplies as a sideline. In 1951 these associations distributed slightly over \$52 million worth of farm supplies. Nearly half of these organizations were located in the North Central part of the United States.





# OPERATIONS OF REGIONAL COOPERATIVES DOING LESS THAN \$5 MILLION SUPPLY BUSINESS, 1950-1951<sup>1</sup>

By

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Regional cooperatives doing a supply business of between \$100,000 and \$5 million a year are important agencies in the distribution of farm production supplies in the United States. Available data indicate that 115 of these associations did an annual business of about \$160 million in the fiscal year July 1, 1950, to June 30, 1951.

The regional cooperatives covered in this report are those associations operating in more than one county. Distinction primarily is on a functional basis for there are many associations that distribute direct to farmers and operate on a local or county level that report an appreciably greater volume than do some of the regionals included in this study. Further details as to types of associations included in this report are given in the section on "Types of Associations and Methods of Farm Supply Distribution" (pp. 6-8).

Three organizations reporting a gross business of over \$5 million are included in this study. The area served by these associations, however, is comparatively small and overall aspects did not permit their classification as major regional purchasing associations. A few small district and sub-wholesale types of cooperatives are excluded, as are those associations owned by local cooperatives that retail liquid petroleum gas directly to individual patrons of locals.

Note: The writers wish to acknowledge the assistance of managers of regional cooperatives included in this study and of Dr. Joseph G. Knapp, Associate Chief, Cooperative Research and Service Division, in the preparation of this report.

<sup>1</sup>This publication is one in a series of reports dealing with the farm supply operations of regional cooperatives. Since 1943 annual handbooks have been prepared on the operations of major regional purchasing cooperatives. Miscellaneous Report 172, "Handbook on Major Regional Farm Supply Purchasing Cooperatives 1951 and 1952," is the most recent of these annual publications. This report shows that 25 major regional purchasing cooperatives and 4 regional marketing associations -- each handling more than \$5 million of farm supplies -- did a total farm supply business of about \$950 million in 1952. An eleven year summary of operations of these cooperatives, based on data reported in the series of handbooks also has been published as Circular C-148, "Operations of Major Regional Purchasing Cooperatives, 1941 - 1951."

This study includes 55 small regional purchasing associations<sup>2</sup> and 63 regional marketing associations providing farm supplies as a sideline. Fifty-three of the former group and 62 of the latter furnished detailed information which serves as the basis for data shown in this report.

While the writers recognize that data are not available for a comprehensive study of the operations of small regional purchasing associations and marketing regionals handling supplies as a sideline, they believe that this report will serve a useful purpose in showing the place these organizations occupy in the production supply business of farmers' cooperative associations.

### SMALL REGIONAL PURCHASING ASSOCIATIONS

Information on small regional purchasing associations is given as to location, area of service, period of organization, types of distribution practices, volume of business, and total assets and liabilities and net worth. In addition, the operating features of three representative regionals are described in some detail.

A number of factors are responsible for the comparatively large number of these purchasing cooperatives. These factors include:

(1) The Farm Bureau organization structure that has developed in the States of Michigan, Wisconsin, Illinois, and Iowa. In these States six organizations, in addition to general farm supply cooperatives, have been established to deal with specialized supply items. Most of these organizations specialize in handling fertilizer, petroleum and automotive accessories, and biological items such as serums. Examples of these organizations are: Illinois Farm Bureau Serum Association, Chicago, Ill.; Farmers Petroleum Co-op, Inc., Lansing, Mich.; and Iowa Plant Food Company, Des Moines, Iowa. In contrast, in the States of Ohio and Indiana these items are distributed through established departments within State-wide Farm Bureau supply cooperatives that also market farm products.

(2) Specialized services for patrons such as manufacturing and distributing fertilizer, making or handling box shook, or distributing petroleum products or seeds. Superior Fertilizer Company, Tampa, Fla., Northwest Wholesale, Inc., Wenatchee, Wash., and Producers' Seed Company, Piper City, Ill., serve as examples of such organizations.

(3) Associations organized to provide a wide variety of farm supplies. While a few of these establishments operate on a State-wide basis, activities usually are restricted to a limited number of counties or to specialized areas of agricultural production. The United Farmers, Inc., Fitchburg, Mass., and the Central Carolina Farmers Exchange, Inc.,

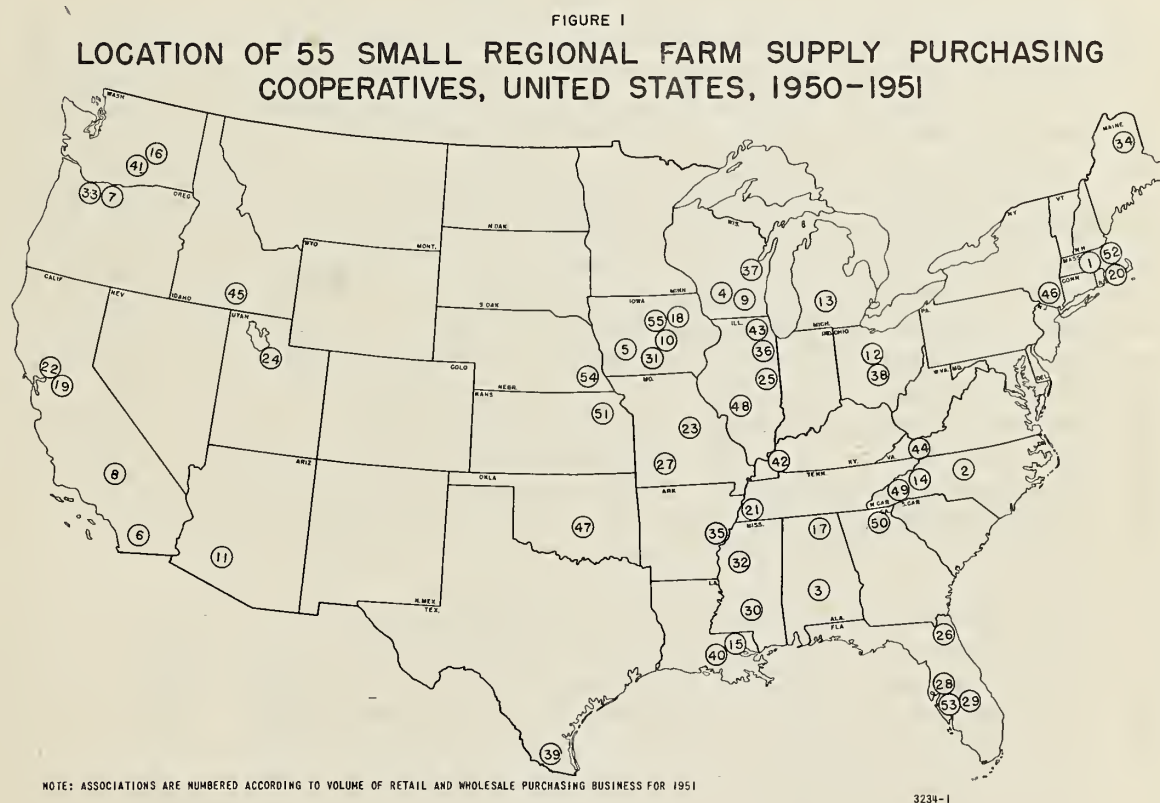
<sup>2</sup>"Small" as used in this report is not intended to minimize the importance of the associations but to differentiate them from the 25 major regional purchasing cooperatives each handling over \$5 million worth of business a year.



Durham, N. C., are associations of this diversified type. In many instances these cooperatives have operated for a number of years in the same areas as large-scale regional associations or in areas adjacent to them. Aggressive local leadership and specialized services by these small regionals, however, have enabled them to render outstanding service to their patrons.

#### LOCATION OF ASSOCIATIONS AND AREA OF SERVICE

The location of the 55 small regional purchasing cooperatives operating in the United States is shown in Figure 1. While these organizations are found in all geographic sections of the country, nearly three-fourths of them are located in the North Central, South Central, and Western States.



According to numbers shown on Figure 1 the names and locations of the small purchasing regionals included in this study are:

1. United Cooperative Farmers Inc., Fitchburg, Mass.
2. Central Carolina Farmers Exchange, Inc., Durham, N. C.
3. Farmers Marketing and Exchange Association, Montgomery, Ala.

4. Wisconsin Cooperative Farm Plant Foods, Madison, Wis.
5. Farmers Elevator Service Company, Ralston, Iowa
6. San Diego Cooperative Poultry Association, San Diego, Calif.
7. Oregon Egg Producers, Portland, Oreg.
8. San Joaquin Valley Poultry Producers Association, Porterville, Calif.
9. Wisconsin Cooperative Farm Supply Company, Madison, Wis.
10. Iowa Plant Food Company, Des Moines, Iowa
11. Southwest Cooperative Wholesale, Phoenix, Ariz.
12. Ohio Farmers Grain and Supply Association, Fostoria, Ohio
13. Farmers Petroleum Cooperative, Inc., Lansing, Mich.
14. Farmers Federation Cooperative, Asheville, N. C.
15. Louisiana Agricultural Cooperative, Inc., Baton Rouge, La.
16. Northwest Wholesale, Inc., Wenatchee, Wash.
17. Tennessee Valley Cooperatives, Decatur, Ala.
18. Cooperative Service Company, Waterloo, Iowa
19. Central Cooperatives, Inc., Modesto, Calif.
20. Farm Bureau Association, Waltham, Mass.
21. Mid-South Supply Association, Inc., Memphis, Tenn.
22. California Farm Supply Company, Berkeley, Calif.
23. Farm Bureau Service Company of Missouri, Inc., Jefferson City, Mo.
24. Utah Cooperative Association, Salt Lake City, Utah
25. Producers' Seed Company, Piper City, Ill.
26. Highland Crate Cooperative, Jacksonville, Fla.
27. Producers Grocery Company, Springfield, Mo.
28. Exchange Supply and Service Company, Tampa, Fla.
29. Superior Fertilizer Company, Tampa, Fla.
30. Magee Cooperative Gin (AAL), Magee, Miss.
31. Iowa Farm Serum Company, Des Moines, Iowa
32. Delta Purchasing Federation (AAL), Greenwood, Miss.
33. Oregon Grange Wholesale, Inc., Portland, Ore.
34. Aroostook Federation of Farmers, Caribou, Maine
35. Delta Fertilizer Company, Helena, Ark.
36. Illinois Milk Producers' Supply Company, Chicago, Ill.
37. Fox Cooperative, Inc., Appleton, Wis.
38. Cooperatives Wholesale Association, Inc., Columbus, Ohio
39. Texsun Supply Corporation, Weslaco, Tex.
40. Cooperatives of Louisiana, Inc., Hammond, La.
41. Wenoka Supply Company, Wenatchee, Wash.
42. Valley Counties of Kentucky Cooperative, Inc., Murray, Ky.
43. Illinois Farm Bureau Serum Association, Chicago, Ill.
44. Southwest Virginia Cooperative, Inc., Bristol, Va.
45. Idaho Grange Wholesale, Inc., Shoshone, Idaho
46. Farmers Union Wholesale Co-op. Association, Inc., New York, N. Y.
47. Oklahoma Farmers Union Supply Association, Oklahoma City, Okla.
48. Illinois Equity Association, Greenville, Ill.
49. Allied Farmers Cooperative, Inc., Asheville, N. C.
50. Georgia Mountain Growers Association, Inc., Blue Ridge, Ga.
51. Farmers Union Central Cooperative Exchange, St. Marys, Kans.
52. New England Farm Supply Cooperative, Inc., Cambridge, Mass.
53. Pinellas Growers Association, Clearwater, Fla.
54. Nebraska Non-Stock Cooperative Association, Lincoln, Nebr.
55. Farmers Union Cooperative Seed Service, Cedar Falls, Iowa

The number and percent of associations by geographic area as of 1951 were as follows:

| <u>Geographic area</u> | <u>Associations reporting</u> |                |
|------------------------|-------------------------------|----------------|
|                        | <i>Number</i>                 | <i>Percent</i> |
| New England-----       | 4                             | 7              |
| North Atlantic-----    | 1                             | 2              |
| South Atlantic-----    | 9                             | 16             |
| North Central-----     | 19                            | 35             |
| South Central-----     | 11                            | 20             |
| Mountain-----          | 3                             | 5              |
| Pacific-----           | <u>8</u>                      | <u>15</u>      |
| Total-----             | 55                            | 100            |

#### YEAR OF ORGANIZATION

The earliest date of incorporation for any of the small regional purchasing cooperatives included in this study was 1915. While 11 of these organizations commenced operations during the period 1915-1925, most of them are of comparatively recent origin. For instance, 32 associations, or 60 percent, have been organized since 1936, and the peak period of organization was 1941-1945 when 13 were established. That these associations are of relatively recent origin also is shown by comparison with information reported in the "Handbook on Major Regional Farm Supply Purchasing Cooperatives, 1951-1952." Data in this handbook show that only two of 25 major regional purchasing associations were organized after 1935 and that the average age of all 25 associations was 25 years.

The number of small regional purchasing associations and the percent by periods of incorporation were as follows:

| <u>Period of incorporation</u> | <u>Associations reporting</u> |                |
|--------------------------------|-------------------------------|----------------|
|                                | <i>Number</i>                 | <i>Percent</i> |
| 1920 and earlier-----          | 7                             | 13             |
| 1921 - 1925-----               | 4                             | 8              |
| 1926 - 1930-----               | 4                             | 8              |
| 1931 - 1935-----               | 6                             | 11             |
| 1936 - 1940-----               | 11                            | 21             |
| 1941 - 1945-----               | 13                            | 24             |
| 1946 and later-----            | <u>8</u>                      | <u>15</u>      |
| Total-----                     | 53                            | 100            |

Average age of the 53 small regional farm supply associations was 15 years. Those organized in the New England, South Atlantic, and Western areas were somewhat older than average, while those established in the Mountain and South Central areas and the one organization in the North Atlantic area were below average age. Increased commercial agricultural production, calling for a large volume of farm production supplies,



helps to explain the recent origin of many of these organizations in the South Central and Mountain areas of the country. The long-established agriculture of the New England States coupled with the need for specialized farm production supplies in the far West may have contributed to the earlier development of regional purchasing associations in these areas of the country.

The average age of small regional purchasing cooperatives as of 1951, classified according to geographic area, was as follows:

| <u>Geographic area</u> | <u>Average age</u><br><i>Years</i> |
|------------------------|------------------------------------|
| New England-----       | 23                                 |
| North Atlantic-----    | 8                                  |
| South Atlantic-----    | 17                                 |
| North Central-----     | 14                                 |
| South Central-----     | 11                                 |
| Mountain-----          | 10                                 |
| Pacific-----           | <u>19</u>                          |
| Average-----           | 15                                 |

When classified according to dollar volume of business, the average age of these associations as of 1951 was as follows:

| <u>Size of association</u>     | <u>Average age</u><br><i>Years</i> |
|--------------------------------|------------------------------------|
| \$100,001 - \$1,000,000-----   | 9                                  |
| \$1,000,001 - \$3,000,000----- | 16                                 |
| \$3,000,001 and over-----      | <u>20</u>                          |
| Average-----                   | 15                                 |

#### TYPES OF ASSOCIATIONS AND METHODS OF FARM SUPPLY DISTRIBUTION

For purposes of this study, associations were classified on the basis of size of operation and type of association. Three size classifications were used: \$100,001 - \$1,000,000; \$1,000,001 - \$3,000,000; \$3,000,001 and over. Likewise, associations were grouped into three types: those specializing in wholesale operations (federated); those operating on a retail basis (centralized), and those operating as combination wholesale and retail establishments.

The number and percent of associations by size were reported as follows:

| <u>Size of association</u>     | <u>Associations reporting</u> |                |
|--------------------------------|-------------------------------|----------------|
|                                | <i>Number</i>                 | <i>Percent</i> |
| \$100,001 - \$1,000,000-----   | 17                            | 32             |
| \$1,000,001 - \$3,000,000----- | 21                            | 40             |
| \$3,000,001 and over-----      | <u>15</u>                     | <u>28</u>      |
| Total-----                     | 53                            | 100            |

Table 1 gives the number of associations, members, and patrons, by type of association. These cooperatives had a membership of over 1,900 purchasing and marketing cooperatives and about 156,000 individuals. The writers estimate that somewhere in the neighborhood of 400,000 individual patrons receive some of their production supplies through these organizations. Farmers account for an estimated 95 percent of this number.

Table 1. - *Number, membership, and patronage of small regional purchasing cooperatives in the United States by type of association, 1950-1951*

| Type of association                         | Associations reporting | Members     |              | Patrons     |              |
|---|------------------------|-------------|--------------|-------------|--------------|
|   |                        | Individuals | Associations | Individuals | Associations |
| Wholesale-----                              | 30                     | 15          | 1,379        | 675         | 1,444        |
| Retail-----                                 | 11                     | 116,013     | 16           | 166,777     | 18           |
| Combination of<br>wholesale<br>and retail-- | 12                     | 40,349      | 534          | 42,152      | 266          |
| Total----                                   | 53                     | 156,377     | 1,929        | 159,604     | 1,728        |

Table 1 also indicates that the small wholesale regionals averaged 46 member associations each. The number ranged from eight to 349. Small combination regionals on the average served 44 member associations each and in addition provided an average of about 3,400 individual farmer members with farm supplies on a retail basis. The 11 small regionals operating on a retail basis only did essentially all their business direct with farmers and averaged 10,500 members per association. They reported that individual farmer memberships ranged from 1,600 to 32,000.

Figure 3 on page 13 shows the location of cooperative associations affiliated with Northwest Wholesale Incorporated, Wenatchee, Wash. It illustrates the structural organization of small federated regionals operating on a State-wide basis. Similarly, Figure 4 on page 17 shows the area served and the location of branch retail facilities of the Central Carolina Farmers Exchange, Inc., Durham, N. C. The organizational structure of this association is typical of the operations of small-scale centralized regional purchasing cooperatives providing complete farm supply service for farmers in a limited number of counties.

Approximately one-fourth of the small regional purchasing associations also engaged in the marketing of farm products. The following summary shows the value and percentage distribution of farm products marketed by type of association:

| Type of association                       | Associations reporting | Farm products marketed |                  |
|---|------------------------|------------------------|------------------|
|   |                        | Value                  | Percent of total |
| Wholesale-----                            | 4                      | \$107,794              | 1                |
| Retail-----                               | 6                      | 13,054,905             | 90               |
| Combination of<br>wholesale and retail--- | 3                      | 1,377,673              | 9                |
| Total-----                                | 13                     | \$14,540,372           | 100              |



The preceding summary shows that the marketing business is concentrated primarily in the six cooperatives classified as retail associations. Poultry and eggs are the most important items marketed by these associations, accounting for 99 percent of their marketing business.

Five of the associations that engaged in marketing operations reported that such business accounted for less than 5 percent of their total, two estimated it at between 15 and 25 percent, and six at between 25 and 35 percent.

The concentrated nature of the supply business of the 53 small regional farm supply associations is indicated by the fact that 44 reported no business outside of the State in which they are incorporated. Four reported that out-of-state business accounted for less than 10 percent of their total, and one each, respectively, reported out-of-state business at 12, 48, 52, 55, and 90 percent of total volume. Out-of-state business accounted for less than 5 percent of the total reported by all associations. Two-thirds of this volume was due to the one association which did over 90 percent of its business outside of the State in which it maintained its principal facilities.

#### VOLUME OF BUSINESS

Table 2 shows the volume of business for small farm supply associations by type and size. Wholesale business accounted for approximately \$51 million, retail business for \$39 million, and a combination of wholesale and retail business for nearly \$21 million. When grouped according to size, more than \$8 million was accounted for by the smallest associations considered in this report (\$100,001 - \$1,000,000), over \$38 million was accounted for by those in the middle-sized group (\$1,000,001 - \$3,000,000), and nearly \$64 million was in the largest classification (\$3,000,001 and over).

Table 2. - *Volume of wholesale and retail supply business for small regional purchasing cooperatives in the United States by type and size of association, 1950-1951*

| Classification                                | Total sales |         | Type of sale |         |            |         |
|---|-------------|---------|--------------|---------|------------|---------|
|   |             |         | Retail       |         | Wholesale  |         |
|   | Dollars     | Percent | Dollars      | Percent | Dollars    | Percent |
| <u>Type of association</u>                    |             |         |              |         |            |         |
| Wholesale-----                                | 50,980,848  | 100     | 33,851       | (a)     | 50,946,997 | 100     |
| Retail-----                                   | 38,966,241  | 100     | 34,298,257   | 88      | 4,667,984  | 12      |
| Combination of whole-<br>sale and retail----- | 20,522,925  | 100     | 8,712,270    | 42      | 11,810,655 | 58      |
| Total-----                                    | 110,470,014 | 100     | 43,044,378   | 39      | 67,425,636 | 61      |
| <u>Size of association</u>                    |             |         |              |         |            |         |
| \$100,001 - 1,000,000---                      | 8,296,562   | 100     | 854,138      | 10      | 7,442,424  | 90      |
| \$1,000,001 - 3,000,000---                    | 38,403,181  | 100     | 9,091,141    | 24      | 29,312,040 | 76      |
| \$3,000,001 and over----                      | 63,770,271  | 100     | 33,099,099   | 52      | 30,671,172 | 48      |
| Total-----                                    | 110,470,014 | 100     | 43,044,378   | 39      | 67,425,636 | 61      |

<sup>a</sup>Less than 0.5 percent.

Percent of total volume by the three types and sizes of associations was as follows:

| Classification                              | Percent of sales |        |           |
|---|------------------|--------|-----------|
|   | Total            | Retail | Wholesale |
| Type of association                         |                  |        |           |
| Wholesale-----                              | 46               | (a)    | 76        |
| Retail-----                                 | 35               | 80     | 7         |
| Combination of wholesale<br>and retail----- | 19               | 20     | 17        |
| Total-----                                  | 100              | 100    | 100       |
| Size of association                         |                  |        |           |
| \$100,001 - \$1,000,000-----                | 7                | 2      | 11        |
| \$1,000,001 - \$3,000,000-----              | 35               | 21     | 43        |
| \$3,000,001 and over-----                   | 58               | 77     | 46        |
| Total-----                                  | 100              | 100    | 100       |

<sup>a</sup>Less than 0.5 percent.

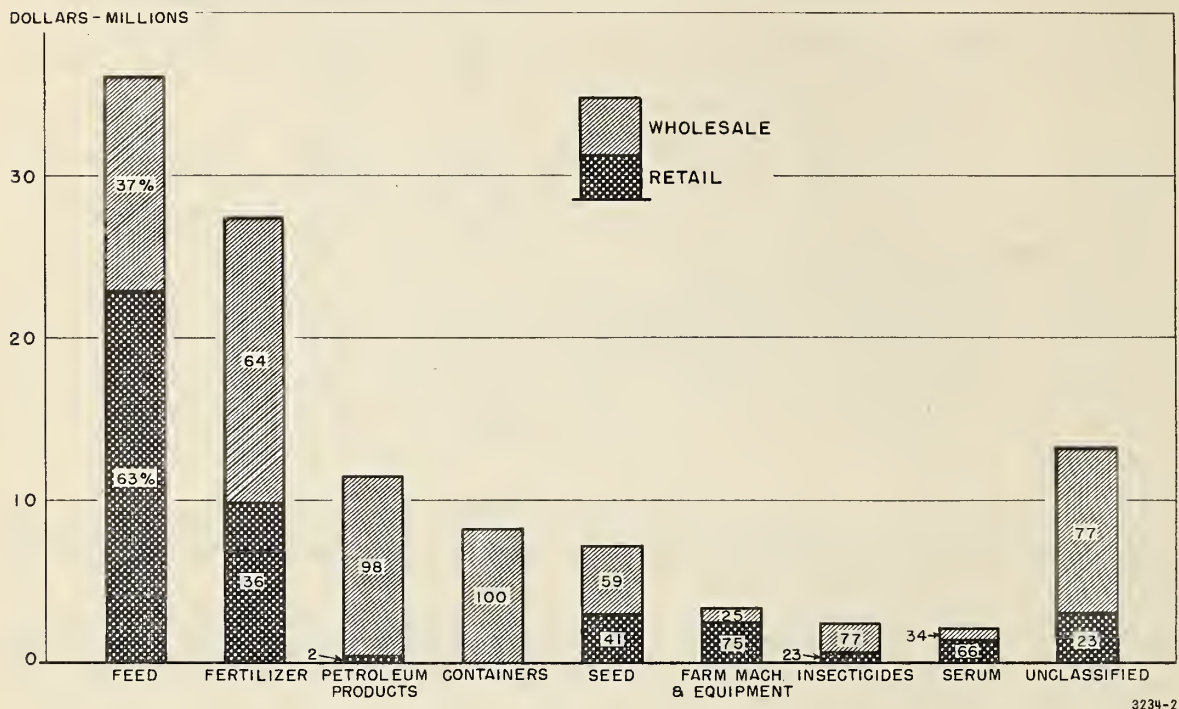
Information on the volume of various supplies handled and the number of associations reporting such supplies is given in Table 3 (for further details see Figure 2).

Table 3. - *Volume of wholesale and retail supply business by principal supply items of 53 small regional purchasing cooperatives in the United States, 1950-1951*

| Item                                       | Associations reporting | Total sales   | Type of sale |              |
|--|------------------------|---------------|--------------|--------------|
|  |                        |               | Retail       | Wholesale    |
| Feed-----                                  | 24                     | \$36,025,764  | \$22,797,888 | \$13,227,876 |
| Fertilizer-----                            | 31                     | 27,316,285    | 9,870,624    | 17,445,661   |
| Petroleum products-----                    | 18                     | 11,375,116    | 230,122      | 11,144,994   |
| Containers-----                            | 7                      | 8,111,458     | -            | 8,111,458    |
| Seed-----                                  | 24                     | 7,066,885     | 2,886,711    | 4,180,174    |
| Farm machinery and<br>equipment-----       | 11                     | 3,186,533     | 2,380,990    | 805,543      |
| Miscellaneous                              |                        |               |              |              |
| Insecticides-----                          | 7                      | 2,276,511     | 525,800      | 1,750,711    |
| Serum-----                                 | 2                      | 2,017,802     | 1,328,985    | 688,817      |
| Groceries-----                             | 1                      | 1,626,644     | -            | 1,626,644    |
| Processing and<br>retailing equipment----- | 1                      | 1,035,392     | -            | 1,035,392    |
| Building supplies-----                     | 5                      | 994,355       | 292,453      | 701,902      |
| Appliances, hardware, etc.---              | 1                      | 888,130       | -            | 888,130      |
| Automotive-----                            | 6                      | 379,915       | 30,936       | 348,979      |
| Unclassified-----                          | 12                     | 8,169,224     | 2,699,869    | 5,469,355    |
| Total-----                                 | 42                     | 17,387,973    | 4,878,043    | 12,509,930   |
| Total - all items-----                     | 53                     | \$110,470,014 | \$43,044,378 | \$67,425,636 |

FIGURE 2

# VOLUME OF WHOLESALE AND RETAIL FARM SUPPLY BUSINESS BY SMALL REGIONAL PURCHASING COOPERATIVES, 1950-1951



3234-2

This table also shows the extent to which such business is conducted on a retail and wholesale basis. Five items -- feed, fertilizer, petroleum products, containers, and seeds -- accounted for 81 percent of the supplies handled and two items, feed and fertilizer, made up over 57 percent of the total.

Retail sales of feed, farm machinery and equipment, and serum exceeded wholesale sales. In contrast, wholesale volume of fertilizer, petroleum, automotive, building supplies, and insecticides was greater than the retail volume for these items. All containers, groceries, processing and retailing equipment, and appliances and hardware were sold on a wholesale basis. The unclassified volume also includes some of the supplies listed since a number of associations did not keep separate records of these items.

The specialized nature of the business of small regional purchasing cooperatives also is shown by the fact that 15 of these associations handle but one type of farm supply and 13 handle only two types. The



distribution of associations, according to number of items handled, was as follows:

| <u>Types of supplies handled<sup>a</sup></u> | <u>Associations reporting</u> |
|--|-------------------------------|
| 1-----                                       | 15                            |
| 2-----                                       | 13                            |
| 3-----                                       | 12                            |
| 4-----                                       | 9                             |
| 5 and over-----                              | 4                             |
| Total-----                                   | 53                            |

<sup>a</sup>Unclassified items not included.

Detailed data on the dollar volume and the percentage of individual supplies handled, by type and size of association, are reported in Appendix Table A.

### FINANCIAL POSITION

Information on total assets and the distribution of liabilities and net worth of small regional associations, by type of operation and size, is shown in Table 4.

Table 4. - *Assets and liabilities and net worth of 53 small regional purchasing cooperatives in the United States, by type and size of association, 1950-1951*

| Classification                            | Total assets |         | Liabilities and net worth |         |            |         |
|---|--------------|---------|---------------------------|---------|------------|---------|
|   |              |         | Liabilities               |         | Net worth  |         |
|   | Dollars      | Percent | Dollars                   | Percent | Dollars    | Percent |
| <u>Type of association</u>                |              |         |                           |         |            |         |
| Wholesale-----                            | 12,957,565   | 36      | 4,019,538                 | 30      | 8,938,027  | 39      |
| Retail-----                               | 17,028,883   | 47      | 6,527,796                 | 49      | 10,501,087 | 46      |
| Combination of whole-sale and retail----- | 6,338,618    | 17      | 2,763,571                 | 21      | 3,575,047  | 15      |
| Total-----                                | 36,325,066   | 100     | 13,310,905                | 100     | 23,014,161 | 100     |
| <u>Size of association</u>                |              |         |                           |         |            |         |
| \$100,001 - \$1,000,000-                  | 3,234,884    | 9       | 1,241,839                 | 9       | 1,993,045  | 9       |
| \$1,000,001 - \$3,000,000                 | 11,546,096   | 32      | 3,935,993                 | 30      | 7,610,103  | 33      |
| \$3,000,001 and over---                   | 21,544,086   | 59      | 8,133,073                 | 61      | 13,411,013 | 58      |
| Total-----                                | 36,325,066   | 100     | 13,310,905                | 100     | 23,014,161 | 100     |

Comparatively little difference prevails when the associations are classified by size. When classified by type, however, combination wholesale and retail regionals have a comparatively high proportion of

liabilities to net worth. Strictly wholesale regionals, in contrast, are in an appreciably stronger net worth position as indicated by the following tabulation:

| <u>Classification</u>                       | <u>Percent of liabilities and net worth</u> |                  |
|---|---|------------------|
|   | <u>Liabilities</u>                          | <u>Net worth</u> |
| Type of association                         |   |                  |
| Wholesale-----                              | 31  | 69               |
| Retail-----                                 | 38  | 62               |
| Combination of wholesale<br>and retail----- | <u>44</u>                                   | <u>56</u>        |
| Average-----                                | 37  | 63               |
| Size of association                         |   |                  |
| \$100,001 - \$1,000,000-----                | 38  | 62               |
| \$1,000,001 - \$3,000,000-----              | 34  | 66               |
| \$3,000,001 and over-----                   | <u>38</u>                                   | <u>62</u>        |
| Average-----                                | 37  | 63               |

The 53 small regional purchasing associations reported an investment of nearly \$1.6 million in other cooperatives. These investments were made for the purpose of participating in the ownership of manufacturing and purchasing facilities with other regionals. Investments primarily were concentrated in the largest and in the wholesale associations, as the following summary shows:

| <u>Classification</u>                       | <u>Investment in other cooperatives</u> |                |
|---|---|----------------|
|   | <u>Dollars</u>                          | <u>Percent</u> |
| Type of association                         |   |                |
| Wholesale-----                              | 970,916                                 | 61             |
| Retail-----                                 | 417,926                                 | 26             |
| Combination of wholesale<br>and retail----- | <u>199,558</u>                          | <u>13</u>      |
| Total-----                                  | 1,588,400                               | 100            |
| Size of association                         |   |                |
| \$100,001 - \$1,000,000-----                | 130,847                                 | 8              |
| \$1,000,001 - \$3,000,000-----              | 403,441                                 | 26             |
| \$3,000,001 and over-----                   | <u>1,054,112</u>                        | <u>66</u>      |
| Total-----                                  | 1,588,400                               | 100            |

#### CHARACTER AND OPERATIONS OF THREE SELECTED ASSOCIATIONS

This section gives detailed information on the character and operations of three small regional purchasing associations. These associations reflect variations in methods of operation and represent different



geographic regions. Included in this group are: (1) Northwest Wholesale, Inc., located in Wenatchee, Wash.; (2) Producers' Seed Company, Piper City, Ill.; and (3) Central Carolina Farmers Exchange, Inc., of Durham, N. C.

#### Northwest Wholesale, Inc.

Northwest Wholesale, Inc., with headquarters at Wenatchee, Wash., was organized in 1937. A federation of local fruit packing associations, it was organized to furnish these associations with production and marketing supplies. At the end of its operating year November 30, 1951, it was providing a service for 39 member associations, 35 of which were operating in the State of Washington (see Figure 3). These member associations, in turn, served about 1,800 patrons of whom 95 percent were classified as farmers.

FIGURE 3  
LOCATION OF COOPERATIVE ASSOCIATIONS AFFILIATED WITH  
NORTHWEST WHOLESALE INCORPORATED, CLASSIFIED  
ACCORDING TO TYPE, 1951



The value of supplies distributed at wholesale by Northwest Wholesale, Inc., during the fiscal years ending November 30, 1950, and 1951, was as follows:

| <u>Commodity</u>                    | <u>1950</u> | <u>1951</u> |
|-------------------------------------|-------------|-------------|
| Insecticides and related items----- | \$690,661   | \$842,682   |
| Fertilizer-----                     | 338,059     | 483,242     |
| Petroleum products-----             | 75,568      | 80,317      |
| Wooden boxes and related items----- | 1,329,435   | 1,218,932   |
| Paper and related items-----        | 545,542     | 494,135     |
| Total-----                          | \$2,979,265 | \$3,119,308 |

Total net margins from all manufacturing and wholesale operations amounted to \$234,637 in 1950 and \$225,775 in 1951. These margins were distributed as follows:

| <u>Distribution of net margins</u>                   | <u>1950</u> | <u>1951</u> |
|--|-------------|-------------|
| Cash patronage refunds-----                          | \$117,318   | \$90,310    |
| Amount retained in reserves<br>(to be revolved)----- | 117,319     | 135,465     |
| Total-----   | \$234,637   | \$225,775   |

The financial condition of Northwest Wholesale, Inc. on November 30, 1950, and 1951, was as follows:

|                            | <u>1950</u> | <u>1951</u> |
|----------------------------|-------------|-------------|
| Assets:                    |             |             |
| Current-----               | \$633,732   | \$668,681   |
| Fixed (net)-----           | 180,719     | 202,480     |
| Other-----                 | 45,699      | 44,610      |
| Total-----                 | \$860,150   | \$915,771   |
| Liabilities and net worth: |             |             |
| Current liabilities-----   | \$110,392   | \$135,260   |
| Other liabilities-----     | -           | -           |
| Net worth-----             | 749,758     | 780,511     |
| Total-----                 | \$860,150   | \$915,771   |

The type and value of the principal facilities owned by Northwest Wholesale, Inc., as of November 30, 1951, was as follows:

| <u>Facility</u>                  | <u>Cost<br/>value</u> | <u>Depreciated<br/>value</u> |
|----------------------------------|-----------------------|------------------------------|
| Mobile equipment-----            | \$168,771             | \$67,605                     |
| Sawmill and factory equipment--- | 113,323               | 76,500                       |
| Timber investments-----          | 27,640                | 27,640                       |
| Land - warehouse-----            | 13,500                | 13,500                       |
| Land - mill and timber-----      | 15,314                | 15,314                       |
| Warehouse bldgs. & equipment---- | 41,099                | 29,561                       |
| Total-----                       | \$378,347             | \$230,120                    |

Northwest Wholesale, Inc., had 95 employees as of November 30, 1951. Of these, 13 were engaged in general administration, 25 in logging activities, 52 in box factory and saw mill operation, and 5 in warehousing and distribution.

#### Producers' Seed Company

The Producers' Seed Company with headquarters at Piper City, Ill., was organized in 1937 as the Ford County Crop Improvement Association. From 1938 to 1948 it was known as the Producers' Crop Improvement Association. In 1948 it was reorganized as the Producers' Seed Company and since that time it has operated in close affiliation with the Illinois Agricultural Association and Illinois Farm Supply Company. Producers' Seed Company operates on both a wholesale and retail basis. At the end of its fiscal year December 31, 1951, it was serving 16,003 active individual farm members and an additional 44 county farm supply service companies. Operations are entirely restricted to seed. Its hybrid seed corn operations are conducted through farmer order-takers. This phase of the association's activities represents its retail volume. In contrast, field and grass seed distribution is handled through member associations. Producers' Seed Company carries on an active plant breeding research program. It is reported to have had the first cooperative hybrid seed corn processing plant in the United States.

The value of seeds distributed at wholesale and retail during 1950 and 1951 fiscal years was as follows:

| <u>Commodity</u>         | <u>1950</u> | <u>1951</u> |
|--------------------------|-------------|-------------|
| Hybrid corn-----         | \$510,602   | \$607,145   |
| Field and grass seeds--- | 829,928     | 1,135,187   |
| Total-----               | \$1,340,530 | \$1,742,332 |

Net margins of the company for 1950 and 1951 fiscal years were distributed as follows:

| <u>Distribution of net margins</u>    | <u>1950</u>  | <u>1951</u>   |
|---------------------------------------|--------------|---------------|
| Patronage refunds on hybrid corn----- | \$17,125     | \$35,034      |
| Dividends on preferred stock-----     | 19,344       | 27,696        |
| Provision for Federal income tax----- | <u>5,844</u> | <u>14,178</u> |
| Total-----                            | \$42,313     | \$76,908      |

The financial condition of the Producers' Seed Company as of December 31, 1950 and 1951 is shown by the following condensed financial statement:

|                            | <u>1950</u>    | <u>1951</u>    |
|----------------------------|----------------|----------------|
| Assets:                    |                |                |
| Current-----               | \$319,864      | \$372,926      |
| Fixed (net)-----           | 445,755        | 442,497        |
| Other-----                 | <u>39,742</u>  | <u>77,235</u>  |
| Total-----                 | \$805,361      | \$892,658      |
| Liabilities and net worth: |                |                |
| Current liabilities-----   | \$143,415      | \$163,912      |
| Other liabilities-----     | 104,000        | 87,000         |
| Net worth-----             | <u>557,946</u> | <u>641,746</u> |
| Total-----                 | \$805,361      | \$892,658      |

At the close of its 1951 fiscal year, the principal processing and warehouse facilities owned and operated included:

| <u>Facility</u>                          | <u>Number of<br/>plants or units</u> | <u>Cost<br/>value</u> | <u>Depreciated<br/>value</u> |
|--|--------------------------------------|-----------------------|------------------------------|
| Hybrid seed plants-----                  | 3                                    | \$239,405             | \$131,933                    |
| Seed storage and<br>cleaning plants----- | 1                                    | 242,708               | 221,682                      |
| General office-----                      | 6                                    | <u>97,941</u>         | <u>83,648</u>                |
| Total-----                               |                                      | \$580,054             | \$437,263                    |

In addition, the association has investments of \$40,000 in Select Seeds, Fort Wayne, Ind., a federation of regional associations owned jointly with other cooperatives.

On December 31, 1951, the association had 36 employees, of which 3 were engaged in general administration; 23 in seed processing; 8 in warehouse operations and distribution, and 2 in research activities.

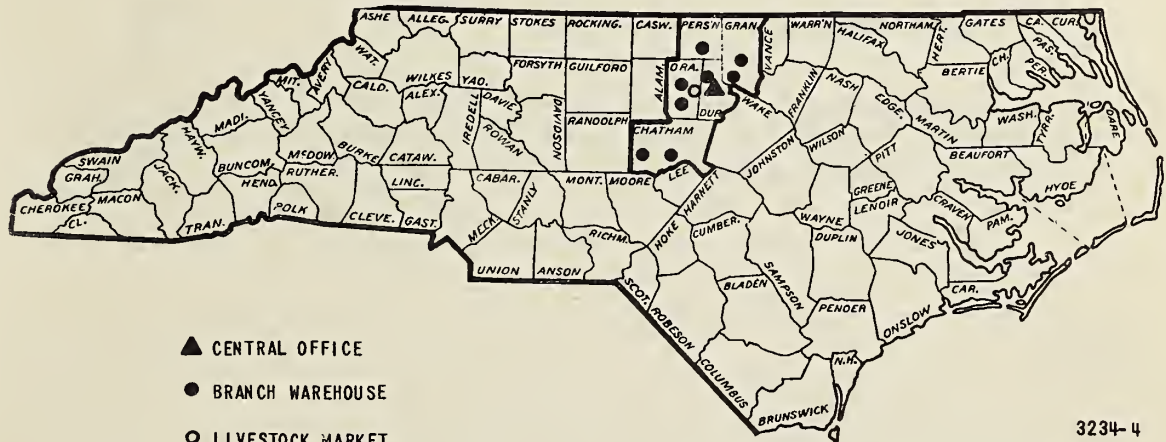


# Central Carolina Farmers Exchange, Inc.

The Central Carolina Farmers Exchange, Inc., with headquarters at Durham, N. C., was organized in 1930. At that time it was known as the Farmers Mutual Exchange. At the end of its operating year June 30, 1951, it was serving 15,000 farmer members through 8 branch warehouses located in 5 counties in the North Central part of North Carolina (see Figure 4). The association, besides operating a feed mill and handling a well balanced line of farm supplies, also markets farm products, which in 1951 included poultry and eggs, livestock, grain, seed, and pulpwood.

FIGURE 4

TRADING AREA OF CENTRAL CAROLINA FARMERS EXCHANGE, INC. SHOWING  
CENTRAL OFFICE AND BRANCH WAREHOUSE LOCATIONS



3234-4

The value of supplies distributed at wholesale by the Exchange in 1950 and 1951 fiscal years was as follows:

| <u>Commodity</u>                  | <u>1950</u>     | <u>1951</u>     |
|-----------------------------------|-----------------|-----------------|
| Feed-----                         | \$3,001,732     | \$3,815,615     |
| Fertilizer-----                   | 443,143         | 558,124         |
| Seed-----                         | 333,455         | 433,264         |
| Farm machinery and equipment----- | 482,610         | 634,394         |
| Chicks-----                       | 295,434         | 450,417         |
| <br>Total-----                    | <br>\$4,556,374 | <br>\$5,891,814 |



The Exchange has established a department for the marketing of farm products and at the end of its 1950 and 1951 fiscal years the sales for important farm products were as follows:

| <u>Commodity</u>     | <u>1950</u>   | <u>1951</u>   |
|----------------------|---------------|---------------|
| Poultry-----         | ( \$2,104,737 | ( \$2,826,729 |
| Eggs-----            |               |               |
| Grain and seeds----- | 437,460       | 588,147       |
| Livestock-----       | 479,222       | 1,018,910     |
| Pulpwood-----        | 19,895        | 31,578        |
| Total-----           | \$3,041,314   | \$4,465,364   |

Total net margins of the Exchange for years ending June 30, 1950, and 1951, were distributed as follows:

| <u>Distribution of net margins</u>   | <u>1950</u> | <u>1951</u> |
|--------------------------------------|-------------|-------------|
| Cash dividends on stock-----         | \$50,888    | \$52,870    |
| Patronage refunds in capital stock-- | 137,550     | 164,902     |
| Amount retained in reserves-----     | *20,938     | 84,238      |
| Total-----                           | \$209,376   | \$302,010   |

\*Set aside for teaching and promoting cooperation and for educational work with members and employees.

The financial condition of the Exchange as of June 30, 1950, and 1951, is shown by the following consolidated financial statement:

|                            | <u>1950</u> | <u>1951</u> |
|----------------------------|-------------|-------------|
| Assets:                    |             |             |
| Current-----               | \$903,408   | \$1,206,825 |
| Fixed (net)-----           | 558,126     | 673,553     |
| Other-----                 | 30,470      | 15,337      |
| Total-----                 | \$1,492,004 | \$1,895,715 |
| Liabilities and net worth: |             |             |
| Current liabilities-----   | \$183,115   | \$185,529   |
| Other liabilities-----     | 63,379      | 59,569      |
| Net worth-----             | 1,245,510   | 1,650,617   |
| Total-----                 | \$1,492,004 | \$1,895,715 |

The following is a tabulation of the number and value of facilities owned and operated by the Exchange on June 30, 1951:

| <u>Facility</u>           | <u>Number of<br/>plants or units</u> | <u>Cost<br/>value</u> | <u>Depreciated<br/>value</u> |
|---------------------------|--------------------------------------|-----------------------|------------------------------|
| Feed mill and equipment-- | 1                                    | ( \$324,563           | ( \$189,236                  |
| Central warehouse-----    | 1                                    | (                     | (                            |
| Local warehouses-----     | 5                                    | ( 163,451             | ( 138,371                    |
| Seed cleaning plant-----  | 3                                    | (                     | (                            |
| Grain storage-----        | 1                                    | 22,855                | 19,408                       |
| Livestock auction         |                                      |                       |                              |
| facilities-----           | 1                                    | 35,433                | 26,553                       |
| Chick hatchery-----       | 1                                    | 34,948                | 16,230                       |
| Motor trucks and garage-- | 27                                   | 126,286               | 90,427                       |
| Poultry processing-----   | 1                                    | 105,114               | 59,423                       |
| Cold storage-----         | 1                                    | 175,005               | 123,907                      |
| Total-----                |                                      | \$987,655             | \$663,555                    |

On June 30, 1951, the Exchange had 239 employees. Of these, 10 were engaged in general administrative activities, 100 in marketing and poultry processing operations, 5 in hatchery operations, 51 in farm supply manufacturing and processing, 73 in warehousing and retail distribution.

### SUPPLY SIDELINE ACTIVITIES OF MARKETING REGIONALS

This section of the report contains information on the supply operations of 62 regional marketing cooperatives with purchasing sidelines under \$5 million. In general, many of the same forces contributing to the development of small regional purchasing associations were responsible for marketing cooperatives setting up sideline operations to handle farm supplies. This trend has been especially common among the dairy, fruit and vegetable, and grain regionals. This section gives the location and area of service of these associations, types of marketing activities engaged in, and volume of supplies handled. Operations were closely tied to handling those specialized supplies required for the type of marketing business in which their members engaged.

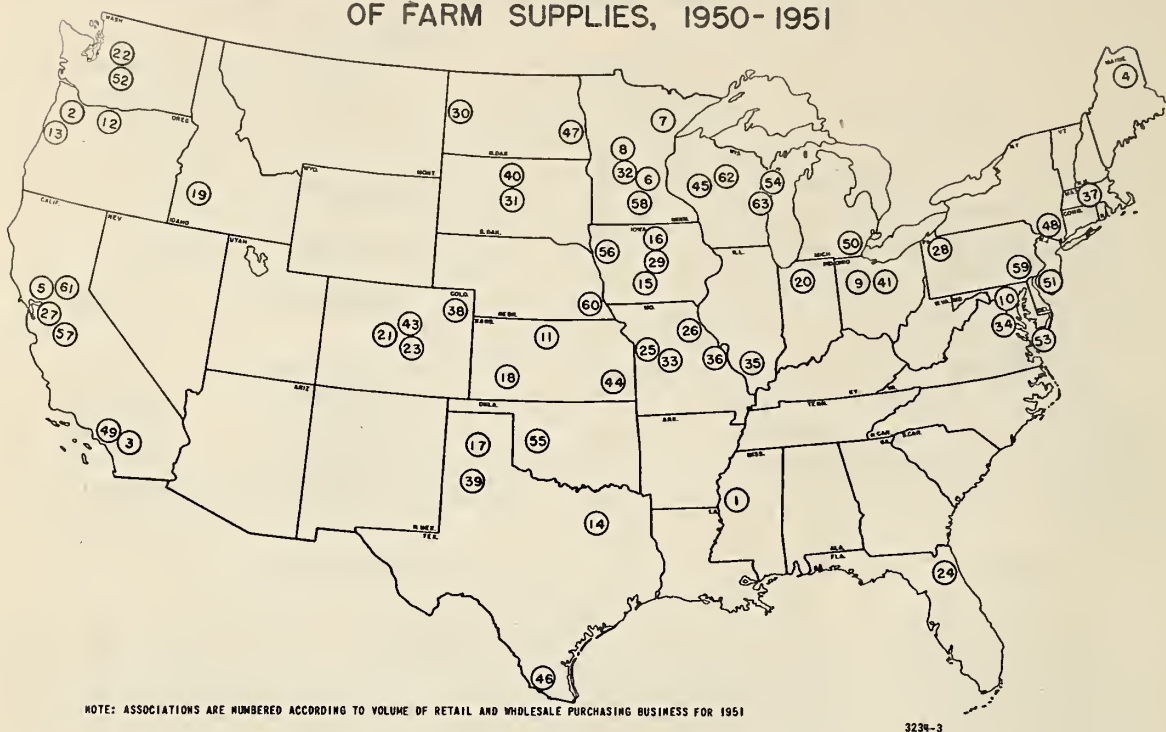
### LOCATION OF ASSOCIATIONS AND AREA OF SERVICE

The location of the 63 regional marketing associations handling farm supplies as a sideline is shown in Figure 5.<sup>3</sup>

<sup>3</sup>While 63 cooperatives were listed among the marketing regionals included in this study, only 62 of these associations furnished data useful in summarizing yearly volume of business.

FIGURE 5

LOCATION OF 63 REGIONAL FARM MARKETING COOPERATIVES  
IN THE UNITED STATES HANDLING UNDER \$5 MILLION  
OF FARM SUPPLIES, 1950-1951



According to numbers shown in Figure 5, the names and locations of these associations are as follows:

1. Staple Cotton Co-op. Association, Greenwood, Miss.
2. Dairy Cooperative Association, Portland, Oreg.
3. Mutual Orange Distributors, Redlands, Calif.
4. Maine Potato Growers, Inc., Presque Isle, Maine
5. California Fruit Exchange, Sacramento, Calif.
6. Central By-Products, Inc., South St. Paul, Minn.
7. Range Cooperative Association, Virginia, Minn.
8. Northern Cooperatives, Inc., Wadena, Minn.
9. Ohio Equity Exchange Company, Lima, Ohio
10. Maryland Tobacco Growers Association, Baltimore, Md.
11. Mitchell County Farmers Union Cooperative Association, Beloit, Kans.<sup>a</sup>
12. Apple Growers Association, Hood River, Oreg.
13. Tillamook Co. Creamery Association, Tillamook, Oreg.
14. Ne-Tex Cooperative Oil Mill, Wolfe City, Tex.
15. Boone Valley Cooperative Processing Association, Eagle Grove, Iowa
16. North Iowa Cooperative Processing Association, Manly, Iowa
17. Producers Grain Corporation, Amarillo, Tex.
18. Kinsley Cooperative Exchange, Kinsley, Kans.<sup>a</sup>
19. Idaho Egg Producers, Caldwell, Idaho
20. Mid-West Producer Creameries, Inc., South Bend, Ind.
21. Farmers Grain and Bean Association, Denver, Colo.



22. Yakima Fruit Growers Association, Yakima, Wash.
23. Farmers Union Marketing Association, Denver, Colo.
24. Hastings Potato Growers Association, Hastings, Fla.
25. Farmers Union Jobbing Association, Kansas City, Mo.
26. Producers Produce Company, Shelbina, Mo.
27. Milk Producers Association of Central California, Inc.,  
Modesto, Calif.
28. Erie Crawford Dairy Cooperative Association, Erie, Pa.
29. State Brand Creameries, Inc., Mason City, Iowa
30. Farmers Union Grain and Supply Company, Williston, N. Dak.
31. South Dakota Wheat Growers Association, Aberdeen, S. Dak.
32. Farmers Union Grain Terminal Association, St. Paul, Minn.
33. Producers Produce Company of Sedalia, Sedalia, Mo.
34. Md. & Va. Milk Producers Association, Inc., Washington, D. C.
35. Illinois Fruit Growers Exchange, Carbondale, Ill.
36. Farmers Produce Company, St. Louis, Mo.
37. United Farmers of New England, Inc., Charlestown, Mass.
38. Farmers Union Cooperative Elevator Company, Wray, Colo.<sup>a</sup>
39. Plains Cooperative Oil Mill, Lubbock, Tex.
40. Equity Union Creameries, Inc., Aberdeen, S. Dak.
41. Equity Dairies, Inc., Lima, Ohio
42. Puerto Rico Tobacco Marketing Association, San Juan, Puerto Rico
43. Denver Milk Producers, Inc., Denver, Colo.
44. Producers Cooperative Association of Girard, Girard, Kans.<sup>a</sup>
45. Dried Milk Producers Cooperative, Eau Claire, Wis.
46. Valley Cooperative Oil Mill, Harlingen, Tex.
47. North Dakota Grimm Alfalfa Association, Fargo, N. Dak.
48. Dairymen's League Cooperative Association, Inc., New York, N. Y.
49. California Walnut Growers Association, Los Angeles, Calif.
50. Michigan Producers Dairy Company, Adrian, Mich.
51. Vineland & South Jersey Cooperative Egg Auction & Poultry  
Association, Inc., Vineland, N. J.
52. Yakima County Horticultural Union, Yakima, Wash.
53. Eastern Shore of Virginia Producers Exchange, Onley, Va.
54. Fruit Growers Cooperative, Sturgeon Bay, Wis.
55. Producers Cooperative Oil Mill, Oklahoma City, Okla.
56. Sioux City Milk Producers Cooperative Association, Sioux City, Iowa
57. Danish Creamery Association, Fresno, Calif.
58. Twin City Milk Producers Association, St. Paul, Minn.
59. Mushroom Growers Cooperative Association of Pennsylvania,  
Kennett Square, Pa.
60. Lincoln Non-Stock Cooperative Milk Prod. Association,  
Lincoln, Nebr.
61. Rice Growers Association of California, Sacramento, Calif.
62. Consolidated Badger Cooperative, Shawano, Wis.
63. Wisconsin Cheese Producers Cooperative, Plymouth, Wis.

<sup>a</sup>These associations perform only local grain marketing services but they manufacture feed for a regional wholesale cooperative and its member associations in the area.

The following tabulation indicates that these organizations have wide geographic distribution, but predominate in the North Central region of the country:

| <u>Geographic area</u> | <u>Associations reporting</u> |                |
|------------------------|-------------------------------|----------------|
|                        | <i>Number</i>                 | <i>Percent</i> |
| New England-----       | 2                             | 3              |
| North Atlantic-----    | 4                             | 7              |
| South Atlantic-----    | 4                             | 7              |
| North Central-----     | 30                            | 48             |
| South Central-----     | 6                             | 10             |
| Mountain-----          | 5                             | 8              |
| Western-----           | <u>11</u>                     | <u>17</u>      |
| Total-----             | 62                            | 100            |

### VOLUME OF BUSINESS

A large proportion of the associations included in this classification had comparatively small farm supply operations. In fact, three-fourths of them reported an annual farm supply business of less than \$1 million each, accounting for two-fifths of the total supply business reported by these marketing regionals.

Classified by type of marketing association, the proportion of supply business was as follows:

| <u>Type of association</u> | <u>Percent of supply sales</u> |               |                  |
|----------------------------|--------------------------------|---------------|------------------|
|                            | <u>Total sales</u>             | <u>Retail</u> | <u>Wholesale</u> |
| Dairy-----                 | 25                             | 28            | 19               |
| Grain-----                 | 25                             | 17            | 38               |
| Fruits and vegetables----- | 25                             | 27            | 21               |
| Cotton-----                | 10                             | 10            | 11               |
| Poultry-----               | 6                              | 3             | 10               |
| Livestock-----             | 5                              | 8             | -                |
| Tobacco-----               | 4                              | 6             | -                |
| Forage-----                | (a)                            | 1             | (a)              |
| Nuts-----                  | <u>(a)</u>                     | <u>-</u>      | <u>1</u>         |
| Total-----                 | 100                            | 100           | 100              |

<sup>a</sup>Less than 0.5 of 1 percent.

Three types of marketing cooperatives were especially important in handling farm supplies. These were dairy, grain, and fruits and vegetables, each of which accounted for 25 percent of the total supply sales made by marketing associations (Table 5).



Table 5. - Volume of wholesale and retail supply business of 62 regional marketing associations handling under \$5 million of farm supplies, by type and size of association, 1950-1951

| Classification             | Total sales |         | Type of sale |         |            |         |
|----------------------------|-------------|---------|--------------|---------|------------|---------|
|                            |             |         | Retail       |         | Wholesale  |         |
|                            | Dollars     | Percent | Dollars      | Percent | Dollars    | Percent |
| <u>Type of association</u> |             |         |              |         |            |         |
| Cotton-----                | 5,372,470   | 100     | 3,280,768    | 61      | 2,091,702  | 39      |
| Dairy-----                 | 13,036,019  | 100     | 9,261,933    | 71      | 3,774,086  | 29      |
| Forage-----                | 249,247     | 100     | 224,461      | 90      | 24,786     | 10      |
| Fruits and vegetables--    | 12,971,125  | 100     | 8,953,737    | 69      | 4,017,388  | 31      |
| Grain-----                 | 12,978,633  | 100     | 5,603,186    | 43      | 7,375,447  | 57      |
| Livestock-----             | 2,438,136   | 100     | 2,438,136    | 100     | -          | -       |
| Nuts-----                  | 225,000     | 100     | -            | -       | 225,000    | 100     |
| Poultry-----               | 2,934,561   | 100     | 903,108      | 31      | 2,031,453  | 69      |
| Tobacco-----               | 2,019,443   | 100     | 2,019,443    | 100     | -          | -       |
| Total-----                 | 52,224,634  | 100     | 32,684,772   | 63      | 19,539,862 | 37      |
| <u>Size of association</u> |             |         |              |         |            |         |
| \$100,001 - \$1,000,000-   | 21,098,544  | 100     | 13,467,989   | 64      | 7,630,555  | 36      |
| \$1,000,001 - \$3,000,000  | 24,899,090  | 100     | 12,989,783   | 52      | 11,909,307 | 48      |
| \$3,000,001 and over---    | 6,227,000   | 100     | 6,227,000    | 100     | -          | -       |
| Total-----                 | 52,224,634  | 100     | 32,684,772   | 63      | 19,539,862 | 37      |

Of the 62 regionals handling supplies as a sideline, 17 reported that they operated entirely on a wholesale basis, 36 retailed farm supplies only, and 9 did a combination of wholesale and retail business.

The number and percent of these associations by types of farm products marketed were as follows for 1951 operations:

| <u>Type of association</u> | <u>Associations reporting</u> |                |
|----------------------------|-------------------------------|----------------|
|                            | <u>Number</u>                 | <u>Percent</u> |
| Dairy-----                 | 21                            | 34             |
| Grain-----                 | 15                            | 24             |
| Fruits and vegetables--    | 11                            | 17             |
| Cotton-----                | 5                             | 8              |
| Poultry-----               | 5                             | 8              |
| Livestock-----             | 1                             | 2              |
| Tobacco-----               | 2                             | 3              |
| Forage-----                | 1                             | 2              |
| Nuts-----                  | 1                             | 2              |
| Total-----                 | 62                            | 100            |

The volume of supply sales by types of supplies is shown in table 6. Three types of supplies -- feed, fertilizer, and containers -- were the most important, accounting for nearly two-thirds of the dollar volume reported. Of these, feed accounted for 36 percent of the total reported for all types of supplies. Further details are shown in Figure 6.

The number of marketing regionals and percent of supply business, by size of supply business, were as follows:

| <u>Size of association</u>     | <u>Associations<br/>reporting</u><br><i>Number</i> | <u>Percentage of<br/>business</u><br><i>Percent</i> |
|--------------------------------|--|---|
| \$100,001 - \$1,000,000-----   | 47   | 40  |
| \$1,000,001 - \$3,000,000----- | 13   | 48  |
| \$3,000,001 and over-----      | <u>2</u>   | <u>12</u>   |
| Total-----                     | 62   | 100   |

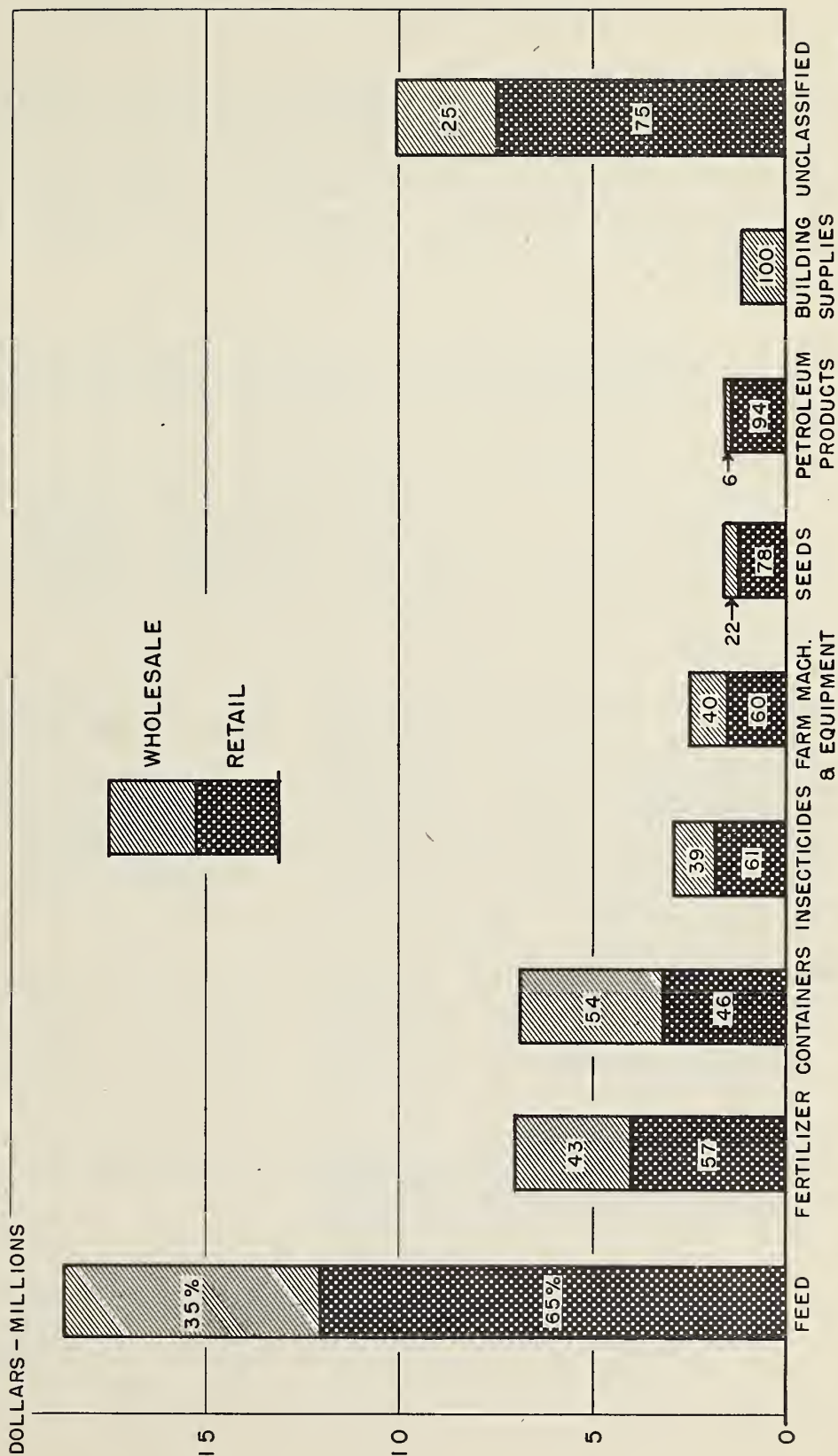
Appendix Table B gives detailed data on kinds and percent of supplies handled by type and size of association.

Table 6. - *Wholesale and retail volume of principal supply items for 62 regional marketing associations handling under \$5 million of farm supply business as a sideline, 1950-1951*

| Item                                 | Associations<br>reporting | Total<br>sales | Type of sale |              |
|--------------------------------------|---------------------------|----------------|--------------|--------------|
|                                      |                           |                | Retail       | Wholesale    |
| Feed-----                            | 29                        | \$18,590,988   | \$12,029,378 | \$6,561,610  |
| Fertilizer-----                      | 17                        | 7,025,054      | 4,010,931    | 3,014,123    |
| Containers-----                      | 13                        | 6,859,845      | 3,167,507    | 3,692,338    |
| Farm machinery<br>and equipment----- | 15                        | 2,517,160      | 1,513,570    | 1,003,590    |
| Seed-----                            | 18                        | 1,598,657      | 1,243,216    | 355,441      |
| Petroleum products-----              | 9                         | 1,550,988      | 1,460,225    | 90,763       |
| <u>Miscellaneous</u>                 |                           |                |              |              |
| Automotive-----                      | 2                         | 104,275        | 104,275      | -            |
| Building supplies-----               | 2                         | 1,124,215      | -            | 1,124,215    |
| Insecticides-----                    | 9                         | 2,903,688      | 1,772,741    | 1,130,947    |
| Other-----                           | 39                        | 9,949,764      | 7,382,929    | 2,566,835    |
| Total-----                           | 47                        | \$14,081,942   | \$9,259,945  | \$4,821,997  |
| Total - all items-----               | 62                        | \$52,224,634   | \$32,684,772 | \$19,539,862 |

FIGURE 6

# VOLUME OF WHOLESALE AND RETAIL FARM SUPPLY BUSINESS OF REGIONAL MARKETING COOPERATIVES HANDLING UNDER \$5 MILLION OF FARM SUPPLIES, 1950-1951



## COMBINED VOLUME OF FARM SUPPLY BUSINESS

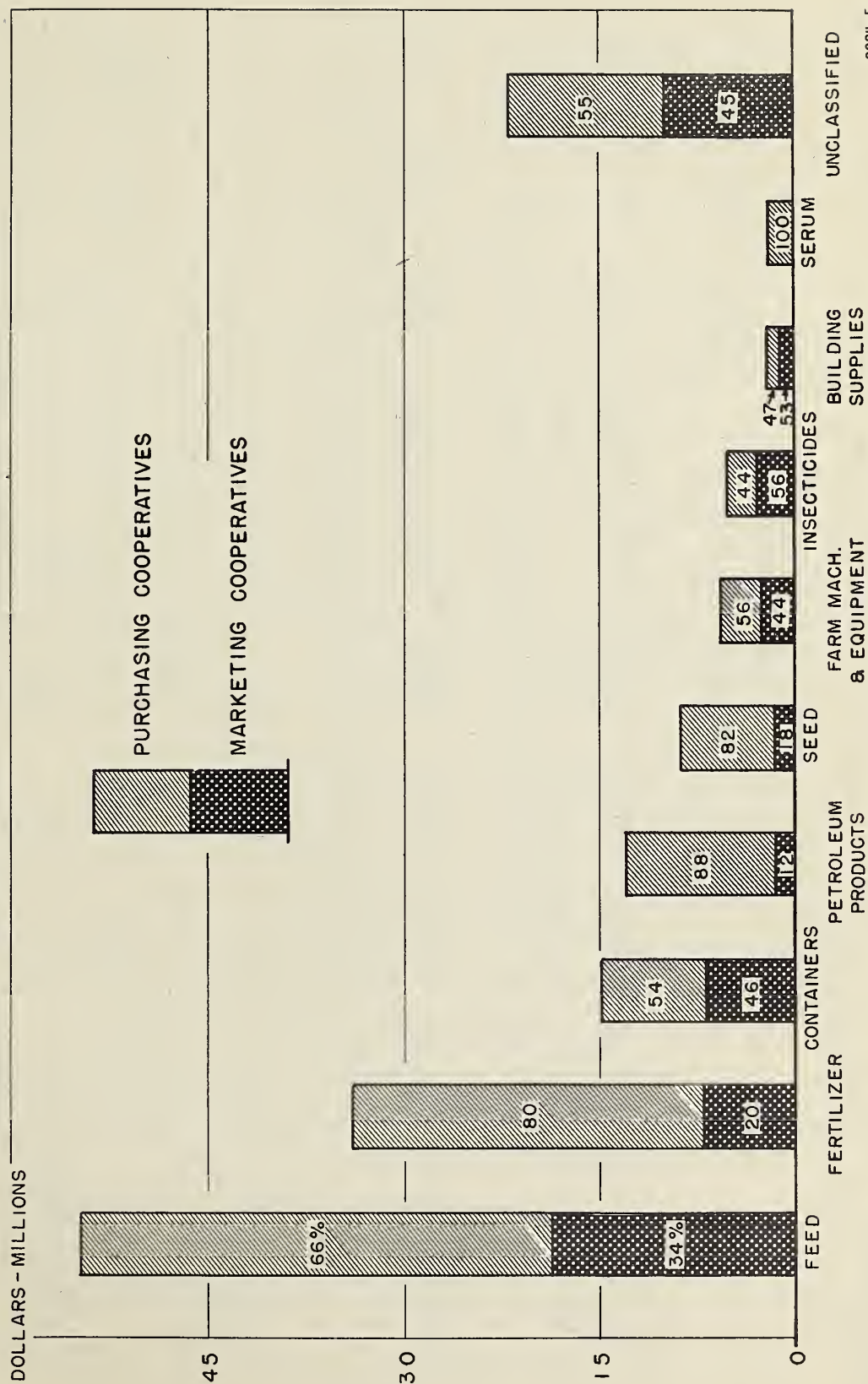
Combined value of production supplies distributed by 53 small regional purchasing associations and 62 marketing regionals handling supplies as a sideline is shown in Table 7. (See Figure 7 for further details.) Small purchasing regionals accounted for 68 percent of this business. Feed and fertilizer were the most important supplies handled, accounting for 55 percent of the total. Containers and petroleum products ranked next in importance, and were followed by seed and farm machinery and equipment.

Table 7. - Combined volume of farm supply business of small regional purchasing cooperatives and marketing regionals handling under \$5 million of farm supplies as a sideline in the United States, 1950-1951

| Item                                      | Combined volume |                     | Supplies handled by  |                     |
|---|-----------------|---------------------|----------------------|---------------------|
|   | Amount          | Percentage of total | Purchasing regionals | Marketing regionals |
|   | <i>Dollars</i>  | <i>Percent</i>      | <i>Dollars</i>       | <i>Dollars</i>      |
| Feed-----                                 | 54,616,752      | 33.6                | 36,025,764           | 18,590,988          |
| Fertilizer-----                           | 34,341,339      | 21.1                | 27,316,285           | 7,025,054           |
| Containers-----                           | 14,971,303      | 9.2                 | 8,111,458            | 6,859,845           |
| Petroleum products-----                   | 12,926,104      | 8.0                 | 11,375,116           | 1,550,988           |
| Seed-----                                 | 8,665,542       | 5.3                 | 7,066,885            | 1,598,657           |
| Farm machinery and<br>equipment-----      | 5,703,693       | 3.5                 | 3,186,533            | 2,517,160           |
| <u>Miscellaneous</u>                      |                 |                     |                      |                     |
| Insecticides-----                         | 5,180,199       | 3.2                 | 2,276,511            | 2,903,688           |
| Building supplies-----                    | 2,118,570       | 1.3                 | 994,355              | 1,124,215           |
| Serum-----                                | 2,017,802       | 1.2                 | 2,017,802            | -                   |
| Groceries-----                            | 1,626,644       | 1.0                 | 1,626,644            | -                   |
| Processing and<br>retailing equipment---- | 1,035,392       | 0.6                 | 1,035,392            | -                   |
| Appliances, etc.-----                     | 888,130         | 0.6                 | 888,130              | -                   |
| Automotive-----                           | 484,190         | 0.3                 | 379,915              | 104,275             |
| Unclassified-----                         | 18,118,988      | 11.1                | 8,169,224            | 9,949,764           |
| Total-----                                | 31,469,915      | 19.3                | 17,387,973           | 14,081,942          |
| Total - all items-----                    | 162,694,648     | 100.0               | 110,470,014          | 52,224,634          |



FIGURE 7  
 COMBINED VOLUME OF FARM SUPPLIES HANDLED BY 53  
 SMALL REGIONAL PURCHASING COOPERATIVES AND 62  
 REGIONAL MARKETING COOPERATIVES, 1950 - 1951



Appendix Table A. - Principal farm supply items handled by 53 small regional purchasing cooperatives in the United States, by type and size of association, 1950-1951

| Classification                      | All items     | Types of supplies handled |              |                    |             |             |                              |                             |               |
|-------------------------------------|---------------|---------------------------|--------------|--------------------|-------------|-------------|------------------------------|-----------------------------|---------------|
|                                     |               | Feed                      | Fertilizer   | Petroleum products | Containers  | Seed        | Farm machinery and equipment | Insecticides and fungicides | Miscellaneous |
| <u>Type of association</u>          |               |                           |              |                    |             |             |                              |                             |               |
| Wholesale-----                      | \$50,980,848  | \$9,523,336               | \$9,804,825  | \$10,897,950       | \$8,111,458 | \$1,756,742 | \$359,054                    | \$700,927                   | \$9,826,556   |
| Retail-----                         | 38,966,241    | 25,364,023                | 7,221,573    | 105,122            | -           | 948,804     | 1,529,092                    | 100,923                     | 3,696,704     |
| Combination of wholesale & retail-- | 20,522,925    | 1,138,405                 | 10,289,887   | 372,044            | -           | 4,361,339   | 1,298,387                    | 1,474,661                   | 1,588,202     |
| Total-----                          | \$110,470,014 | \$36,025,764              | \$27,316,285 | \$11,375,116       | \$8,111,458 | \$7,066,885 | \$3,186,533                  | \$2,276,511                 | \$15,111,462  |
| <u>Size of association</u>          |               |                           |              |                    |             |             |                              |                             |               |
| \$100,001 - \$1,000,000-            | \$8,296,562   | \$894,948                 | \$2,172,844  | \$409,553          | \$1,851,717 | \$344,698   | \$312,893                    | \$5,313                     | \$2,304,596   |
| \$1,000,001 - \$3,000,000           | 38,403,181    | 3,118,643                 | 10,168,591   | 6,307,076          | 6,259,741   | 2,718,323   | 1,306,479                    | 1,332,467                   | 7,191,861     |
| \$3,000,001 and over---             | 63,770,271    | 32,012,173                | 14,974,850   | 4,658,487          | -           | 4,003,864   | 1,567,161                    | 938,731                     | 5,615,005     |
| Total-----                          | \$110,470,014 | \$36,025,764              | \$27,316,285 | \$11,375,116       | \$8,111,458 | \$7,066,885 | \$3,186,533                  | \$2,276,511                 | \$15,111,462  |
| Percent                             |               |                           |              |                    |             |             |                              |                             |               |
| <u>Type of association</u>          |               |                           |              |                    |             |             |                              |                             |               |
| Wholesale-----                      | 100           | 19                        | 19           | 21                 | 16          | 4           | 1                            | 1                           | 19            |
| Retail-----                         | 100           | 65                        | 19           | (a)                | -           | 2           | 4                            | (a)                         | 10            |
| Combination of wholesale & retail-- | 100           | 6                         | 50           | 2                  | -           | 21          | 6                            | 7                           | 8             |
| Total-----                          | 100           | 33                        | 25           | 10                 | 7           | 6           | 3                            | 2                           | 14            |
| <u>Size of association</u>          |               |                           |              |                    |             |             |                              |                             |               |
| \$100,001 - \$1,000,000-            | 100           | 11                        | 26           | 5                  | 22          | 4           | 4                            | (a)                         | 28            |
| \$1,000,001 - \$3,000,000           | 100           | 8                         | 27           | 16                 | 16          | 7           | 3                            | 4                           | 19            |
| \$3,000,001 and over---             | 100           | 50                        | 24           | 7                  | -           | 6           | 3                            | 1                           | 9             |
| Total-----                          | 100           | 33                        | 25           | 10                 | 7           | 6           | 3                            | 2                           | 14            |

\*Less than 0.5 percent.

Appendix Table B. - Principal farm supply items for 62 regional marketing cooperatives in the United States handling under \$5 million of farm supplies by type and size of association, 1950-1951

| Classification                 | All items           | Types of supplies handled |                    |                    |                    |                    |                              |                             |                     |
|--------------------------------|---------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|------------------------------|-----------------------------|---------------------|
|                                |                     | Feed                      | Fertilizer         | Petroleum products | Containers         | Seed               | Farm machinery and equipment | Insecticides and fungicides | Miscellaneous       |
| <b>Type of association</b>     |                     |                           |                    |                    |                    |                    |                              |                             |                     |
| Dairy-----                     | \$13,036,019        | \$6,681,180               | \$660,704          | \$465,465          | \$87,774           | \$217,165          | \$967,822                    | -                           | \$3,955,909         |
| Grain-----                     | 12,978,633          | 8,104,347                 | 2,010,837          | 913,633            | 116,089            | 466,361            | 112,665                      | \$35,281                    | 1,219,420           |
| Fruits and vegetables-----     | 12,971,125          | 130,966                   | 1,009,535          | 171,890            | 5,744,804          | 274,952            | 891,593                      | 804,245                     | 3,943,140           |
| Cotton-----                    | 5,372,470           | 40,876                    | 2,254,105          | -                  | 723,178            | 236,188            | -                            | 2,064,162                   | 53,961              |
| Poultry-----                   | 2,934,561           | 931,137                   | -                  | -                  | 188,000            | -                  | -                            | -                           | 1,815,424           |
| Livestock-----                 | 2,438,136           | 2,438,136                 | -                  | -                  | -                  | -                  | -                            | -                           | -                   |
| Tobacco-----                   | 2,019,443           | 262,980                   | 914,873            | -                  | -                  | 156,110            | 495,080                      | -                           | 190,400             |
| Forage-----                    | 249,247             | 1,366                     | -                  | -                  | -                  | 247,881            | -                            | -                           | -                   |
| Nuts-----                      | 225,000             | -                         | 175,000            | -                  | -                  | -                  | 50,000                       | -                           | -                   |
| <b>Total-----</b>              | <b>\$52,224,634</b> | <b>\$18,590,988</b>       | <b>\$7,025,054</b> | <b>\$1,550,988</b> | <b>\$6,859,845</b> | <b>\$1,598,657</b> | <b>\$2,517,160</b>           | <b>\$2,903,688</b>          | <b>\$11,178,254</b> |
| <b>Size of association</b>     |                     |                           |                    |                    |                    |                    |                              |                             |                     |
| \$100,001 - \$1,000,000-----   | \$21,098,544        | \$7,445,439               | \$1,094,496        | \$790,931          | \$2,037,415        | \$1,095,103        | \$1,129,255                  | \$609,842                   | \$6,896,063         |
| \$1,000,001 - \$3,000,000----- | 24,899,090          | 8,101,764                 | 3,680,558          | 760,057            | 4,822,430          | 503,554            | 1,387,905                    | 1,360,631                   | 4,282,191           |
| \$3,000,001 and over-----      | 6,227,000           | 3,043,785                 | 2,250,000          | -                  | -                  | -                  | -                            | 933,215                     | -                   |
| <b>Total-----</b>              | <b>\$52,224,634</b> | <b>\$18,590,988</b>       | <b>\$7,025,054</b> | <b>\$1,550,988</b> | <b>\$6,859,845</b> | <b>\$1,598,657</b> | <b>\$2,517,160</b>           | <b>\$2,903,688</b>          | <b>\$11,178,254</b> |
| <b>Type of association</b>     |                     |                           |                    |                    |                    |                    |                              |                             |                     |
| Dairy-----                     | 100                 | 51                        | 5                  | 4                  | 1                  | 2                  | 7                            | -                           | 30                  |
| Grain-----                     | 100                 | 62                        | 16                 | 7                  | 1                  | 4                  | 1                            | (a)                         | 9                   |
| Fruits and vegetables-----     | 100                 | 1                         | 8                  | 2                  | 44                 | 2                  | 7                            | 6                           | 30                  |
| Cotton-----                    | 100                 | 1                         | 42                 | -                  | 14                 | 4                  | -                            | 38                          | 1                   |
| Poultry-----                   | 100                 | 32                        | -                  | -                  | 6                  | -                  | -                            | -                           | 62                  |
| Livestock-----                 | 100                 | 100                       | -                  | -                  | -                  | -                  | -                            | -                           | -                   |
| Tobacco-----                   | 100                 | 13                        | 45                 | -                  | -                  | 8                  | 25                           | -                           | 9                   |
| Forage-----                    | 100                 | 1                         | -                  | -                  | -                  | 99                 | -                            | -                           | -                   |
| Nuts-----                      | 100                 | -                         | 78                 | -                  | -                  | -                  | 22                           | -                           | -                   |
| <b>Total-----</b>              | <b>100</b>          | <b>36</b>                 | <b>13</b>          | <b>3</b>           | <b>13</b>          | <b>3</b>           | <b>5</b>                     | <b>6</b>                    | <b>21</b>           |
| <b>Size of association</b>     |                     |                           |                    |                    |                    |                    |                              |                             |                     |
| \$100,001 - \$1,000,000-----   | 100                 | 35                        | 5                  | 4                  | 10                 | 5                  | 5                            | 3                           | 33                  |
| \$1,000,001 - \$3,000,000----- | 100                 | 33                        | 15                 | 3                  | 19                 | 2                  | 6                            | 5                           | 17                  |
| \$3,000,001 and over-----      | 100                 | 49                        | 36                 | -                  | -                  | -                  | -                            | 15                          | -                   |
| <b>Total-----</b>              | <b>100</b>          | <b>36</b>                 | <b>13</b>          | <b>3</b>           | <b>13</b>          | <b>3</b>           | <b>5</b>                     | <b>6</b>                    | <b>21</b>           |

\*Less than 0.5 percent.

